

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY FOR MARRIOTT HOTELS INDIA PRIVATE LIMITED (“MHIPL”)

Effective: 2014 -

1. POLICY

Marriott Hotels India Private Limited (“MHIPL” or the "Company") is incorporated in India and is a wholly owned indirect subsidiary of Marriott International Inc., (“Marriott”). The Company recognizes that Marriott's profitability and business interests are closely related to the strength of the communities it serves.

MHIPL is committed to undertake Corporate Social Responsibility (“CSR”) activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules (“the Act”). This policy provides guidelines and requirements for evaluating requests and/or supporting non-profit efforts under the Act.

2. AIMS & OBJECTIVES

- (i) To develop a long-term vision and strategy for MHIPL’s CSR objectives.
- (ii) Identify potential CSR activities and create an overview of activities to be undertaken, in line with Schedule VII of the Act.
- (iii) To establish process and mechanism for the implementation and monitoring of the CSR activities for the Company.

3. COMMITTEE COMPOSITION

The CSR Committee of the Board shall be composed of at least three (3) Directors¹. Members of the CSR Committee may be replaced by any other member of the Board.

4. COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than semi-annually.

5. DUTIES & RESPONSIBILITIES OF CSR COMMITTEE

The CSR Committee shall:

- (i) Review the CSR activities to be undertaken by MHIPL. The CSR Committee shall be guided by the list of activities specified in Schedule VII of the Act and appended to this Policy as

¹ As MHIPL is a private company, per Rule 5(i) of the CSR Rules, a private company which is not required to appoint an independent director pursuant to sub-section (4) of Section 149 of the Act can constitute a CSR Committee without an independent director.

Appendix - 1. Appendix 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Act.

(ii) Formulate and recommend to the Board the CSR activities/programs to be undertaken by the Company.

(iii) Recommend the CSR Expenditure to be incurred on the CSR activities/programs.

(iv) Institute a transparent mechanism for implementation of the CSR projects/ activities and monitor the execution of the same.

(v) Prepare an annual report of the CSR activities undertaken for the Company and submit such report to the Board. The CSR Committee shall be apprised by the Chairman of the Core CSR Group.

(vi) Constitute a Core CSR Sub-Group that shall be responsible for making recommendations to the CSR Committee of CSR activities as well as implementation and execution of the CSR activities to ensure fulfilment of the Company's CSR obligations.

6. RESPONSIBILITY OF THE BOARD

The Board shall:

(i) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.

(ii) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in accordance with the Act.

(iii) Ensure that CSR activities included in the CSR Policy are undertaken by the Company and that such activities are related to the activities specified in Schedule VII of the Act.

(iv) Ensure disclosure of the contents of the CSR Policy on the Company's website.

(v) Ensure that Directors' Report for FY 2013-14 onwards to include:

(a) Contents of the CSR Policy and Composition of the CSR Committee;

(b) An annual report on CSR in the prescribed format as per Appendix- 2;

(c) Reasons for failure (if any) to spend required amount on CSR activities.

The Company shall undertake the CSR activities directly. The Board may, in the future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by the Company either singly or alongwith Marriott International Inc. In case the trust, society or a Section 8 company is not established by the Company either singly or alongwith its holding or subsidiary or associate company or alongwith any other company or holding or subsidiary or associate company of such other company, then such an entity will need to have a 3 years track record of undertaking similar projects or programs.

7. CSR EXPENDITURE

(i) In every financial year, the Company shall spend a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Act; Net Profits shall exclude (a) profits arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India.

(ii) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities. CSR Expenditure shall include (i) direct expenditure on projects or programs and (ii) administrative overheads, including expenditure incurred with respect to volunteer hours of MHIPL's employees during working hours.

(iii) CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII of the Act.

(iv) CSR Expenditure shall not include Projects or programs or activities undertaken outside India.

(v) The surplus /or additional revenue generated out of the CSR activities or projects undertaken by MHIPL shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR activities only.

(vi) Contributions by other Marriott affiliates or employees may also be received and utilized in respect of the CSR activities undertaken.

8. CONSTITUTION & RESPONSIBILITIES OF CORE CSR SUB-GROUP

The CSR Committee shall have authority to constitute a Core CSR Sub-Group and appoint and remove members of the same. The Core CSR Sub-Group shall be a sub-committee of the CSR Committee and shall consist of at least 2 members appointed and approved by the CSR Committee and a Chairman shall be nominated from amongst the members. The members of the Core Sub-Group do not have to be directors of the Company. A member of the CSR Sub-Group can be removed by the CSR Committee at any time or upon their resignation or termination of employment with the Company. The Core CSR Sub-Group shall make their reports to the CSR Committee at least semi-annually.

The Core CSR Sub-Group shall:

(a) Formulate and make recommendations to the CSR Committee of the CSR activities and programs to be undertaken by the Company for their review and approval and recommendation to the Board of the same;

(b) Be responsible for carrying out the day to day implementation and execution of the CSR activities/ projects that are approved by the CSR Committee and Board; and

(c) Ensure that CSR activities and projects undertaken by the Company are monitored and tracked.

The Core CSR Sub-Group shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than semi-annually

9. IMPLEMENTING CSR ACTIVITIES

(i) The day to day implementation and execution of the CSR activities/projects shall be carried out through the Core CSR Sub-Group, headed by its Chairman.

(ii) The Company shall undertake the CSR activities directly and also through various implementing agencies such as, NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.

(iii) MHIPL's employees may serve as volunteers in the Company's CSR activities, ongoing projects and events.

(iv) MHIPL may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each company is in a position to report separately on such CSR projects.

(v) The following activities do not qualify as CSR Activities under the Act:

- (a) Projects or activities not falling within Schedule VII;
- (b) Activities undertaken in pursuance of normal course of business;
- (c) Projects or programs or activities that benefit only the employees of MHIPL and their families
- (d) Direct or indirect contribution to any political party.

(vi) The CSR activities shall be undertaken in locations within India for the benefit of the public in India, provided that the preference shall be given to the local areas and areas where MHIPL operates for undertaking the CSR activities.

(vii) The Company shall promote and undertake CSR activities/Projects that are aligned with Schedule VII of the Act and in compliance with Marriott's internal policies, including the Ethical Conduct policy and Marriott's Business Conduct Guide.

10. CSR REPORTING

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in Appendix - 2.

The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the Company, which statement shall form part of the Boards' Report.

11. WEBSITE DISPLAY

The Company shall display on its website (<http://www.marriott.com>) the contents of its CSR Policy and other information as may be required to be displayed.

12. REVIEW AND AUDIT

The CSR Committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored on a semi-annual basis.

The Company shall, through its internal controls and monitoring processes, implement, assess, document and report the impact of its CSR activities/projects.

Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained.

The Records shall be submitted for reporting and audit.

The financial audits of the implementing agencies shall also be done through periodic audits. In this regard, the Company may appoint independent external consultants for carrying out such audits.

13. AMENDMENTS

The Policy may be reviewed and amended from time to time.

APPENDIX - 1 (CSR Activities Listed in Schedule VII of the Companies Act, 2013)

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

1. eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects;
3. promoting gender equality and empowering women; setting up homes and hostels for women and orphans, setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, and para-olympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects.
11. slum area development. Explanation.—For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force; or
12. any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 as amended from time to time.

APPENDIX - 2

Format for the annual report on CSR activities to be included in the Board's Report (as per the CSR provisions of the Companies Act, 2013)

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three (3) financial years
4. Prescribed CSR Expenditure (two per cent (2%) of the amount as in item 3. Above)
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year
 - (b) Amount unspent, if any
 - (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ program was undertaken	Amount outlay (budget) project/ program wise	Amount spent on the project/ program Subheads: 1. Direct expenditure on project, 2. Overheads	Cumulative spend up to the reporting period.	Amount spent: Direct/ through implementing agency*
1.							
2.							
3.							
	TOTAL						

* Give details of the implementing agency

6. In case the company has failed to spend the Prescribed CSR Expenditure (as stipulated in item 4. above), it shall provide the reasons for doing so in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the company.

Sd/- (Managing Director or Director)	Sd/- Chairman CSR Committee	Sd/- (Person specified under clause (d) of sub-section (1) of section 380 of the Act) NOT APPLICABLE FOR MHIPL
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